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FISCAL IMPACT STATEMENT

LS 6619

BILL NUMBER: SB 246

NOTE PREPARED: Feb 14, 2013

BILL AMENDED: Feb 14, 2013

SUBJECT: Controlled Drug Prescribing Oversight.

FIRST AUTHOR: Sen. Grooms

FIRST SPONSOR:

BILL STATUS: CR Adopted - 1st House

FUNDS AFFECTED: X GENERAL
X DEDICATED
FEDERAL

IMPACT: State

Summary of Legislation: (Amended) *Medical Licensing Board*- The bill authorizes the Medical Licensing Board (MLB) or the MLB's representative to conduct annual onsite visits of described persons that prescribe, dispense, or administer controlled substances to human patients.

Attorney General Investigations- The bill allows the Attorney General (AG) to petition the MLB in good faith for an inspection, and allows the MLB to authorize the AG to inspect and inventory premises and records of described persons.

Judicial Review- It specifies circumstances for the filing of a petition for judicial review.

Rules Adoption- The bill requires the MLB, before October 1, 2013, to adopt rules to establish and administer a controlled drug prescribing oversight program, and include in the rules standards for operating a facility where controlled substances are prescribed, dispensed, or administered to human patients.

The bill also requires the State Board of Pharmacy (SBOP) and other professional boards that oversee controlled substance registrations to adopt necessary rules to complement rules adopted by the MLB as part of the controlled drug prescribing oversight program.

Effective Date: (Amended) Upon passage.

Explanation of State Expenditures: (Revised) *Summary*- The Medical Licensing Board and Board of Pharmacy and certain other boards would have additional responsibilities to administer a controlled drug

prescribing oversight program. The Professional Licensing Agency (PLA) is the agency that staffs meetings of the MLB and the SBOP. The development of rules and the criteria under the bill could require additional meetings of the MLB and the SBOP. As a result, PLA staff assigned to the MLB and the SBOP may require more time away from other duties to staff additional meetings. MLB and SBOP members would earn per diem, subsistence, and mileage reimbursement for each additional meeting.

If the MLB decided to conduct its own annual onsite visits, expenditures may increase depending on the personnel actually used by the MLB to conduct onsite visits. The additional funds and resources required to carry out these provisions could be supplied through existing staff and resources currently being used in another program or with new appropriations. Ultimately, the source of funds and resources required to satisfy the requirements of this bill will depend on legislative and administrative actions.

Attorney General Investigations- The Attorney General could petition the MLB to inspect annually any facility considered to be a controlled drug clinic for certification purposes. Any inspection action taken would depend on the decisions made by the MLB.

Background Information- A member of a professional board who is not a state employee is entitled to a \$50 per diem and \$39 subsistence (if an overnight stay is warranted). Additional meeting costs include preparation of information packets for members, including printing and postage.

Kentucky adopted legislation to regulate similar facilities earlier in 2012. Their inspector general had identified 44 “pain management clinics” in the state. As a result, 10 of those clinics were shut down.

Several major hospitals and outpatient centers in Indiana have pain management clinics. U.S. Census Bureau county business patterns data reports that in 2010 Indiana had 162 “other” outpatient care centers. The number of these “other” centers having a pain management clinic is unknown.

Explanation of State Revenues:

Explanation of Local Expenditures:

Explanation of Local Revenues:

State Agencies Affected: Medical Licensing Board; Board of Pharmacy; Attorney General; Professional Licensing Agency.

Local Agencies Affected:

Information Sources: U.S. Bureau of Census 2010 Indiana County Business Patterns; Associated Press article published October 16, 2012, via: www.kentucky.com.

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